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Eureka  
Public Utilities Commission

Impact on Average Residential Customer Bill Caused By  
Bill Treatment Plant Advice Letter, Office Complex, 10% Plant Cap, and Facility Fees

1	Average monthly bill in Rate Year 1 for residential metered customer:		
2	Weighted average Customer Service Charge (Based on Adopted Monthly Service Charges-Alternate PD)	\$ 21.26	\$ 255.18
3	Average Monthly Usage of 23 ccf at adopted volumetric rate of \$1.4277 in Alternate PD	\$ 32.84	\$ 394.05
4	Total Average Monthly Bill	\$ 54.10	\$ 649.22
5	Increase in Average monthly bill (Total 3 year Increase)		
6	Increase in Weighted average Customer Service Charge	\$ 5.57	\$ 66.78
7	Average Monthly Usage of 23 ccf with increase of \$0.32375/ccf	\$ 7.45	\$ 89.36
8	Estimate Increase in Average Monthly Bill over 3 year Period	\$ 13.01	\$ 156.14
9	Estimate of revised average residential monthly bill including Sandhill and New Office Building		
10	Weighted average Customer Service Charge	\$ 26.83	\$ 321.96
11	Average Monthly Usage of 23 ccf with new rate of \$1.751/ccf	\$ 40.28	\$ 483.40
12	Total Monthly Average Bill Including Sandhill and New Office Building	\$ 67.11	\$ 805.36
	% Increase Over 3-Years	24.0%	

a) Monthly Service Charge and Volume Rates from Alternate Proposed Decision Appendix D, page 1 of 2. DRA calculated a weighted average Monthly Service Charge because approximately 62% of customers have 5/8"-3/4" meters and 35% have 1" meters.

b) The actual rate at the end of the GRC cycle will be higher.

Other items will impact the actual customer charge at the end of the three year GRC cycles, such as annual escalations. Also assumes the impacts are flowed evenly to all customer classes.

San Gabriel Valley Water Company  
Fontana Water Company Division  
Company Presentation with Two Essential Modifications  
(Does not Indicate DRA Agrees Remaining Amounts are Accurate or Appropriate)  
(Dollars in Thousands)

Alternate Proposed Decision	Changes	TY 06 - 07	EY 07-08	EY 08 - 09	3 Years
Present Rates		\$ 43,588.8			
Adopted Rates		\$ 41,938.8	\$ 44,646.8	\$ 46,641.4	
Increase		\$ (1,650.0)	\$ 2,708.0	\$ 1,994.6	\$ 3,052.6
% Increase		-3.8%	6.5%	4.5%	7.0%
Gain on Sale Refunds	(A)				
SUBTOTAL Increase					\$ 3,052.6
% Increase					7.0%
<u>Advice Letter Revenues</u>					
Sandhill Upgrade @ \$23 million					\$ 5,000.0
SUBTOTAL Increase					\$ 8,052.6
% Increase					18.5%
New Office Complex @ \$4.9 million					\$ 1,100.0
SUBTOTAL Increase					\$ 9,152.6
% Increase					21.0%
<u>Facilities Fee Revenues</u>					
Revised to Shift by One Year	(B)		\$ (645.8)	\$ (1,926.5)	\$ (2,572.3)
TOTAL 3-YEAR INCREASE					\$ 6,580.3
% Increase					15.1%

The above calculations are based on amounts presented by San Gabriel Valley Water Company, with two important corrections. This does not indicate DRA agreement with remaining amounts.

(A) Refunds are being excluded as they are not a permanent change in rates, rather a refund of past overcollections

(B) Since the Facilities Fees have not yet been implemented, the projected amounts in Exhibit 62A need to be set back by one year as they will not begin to be collected until a final decision is in place.

San Gabriel Valley Water Company  
Fontana Water Company Division  
Impact on Customers Caused by Delay in Decision  
Based on Alternate Proposed Decision Amounts

Test Year Rate Decrease, per Alternate Proposed Decision	\$ 1,650,000
Months Delayed from Start of Test Year - July 1, 2006 (A)	<u>10 Months</u>
Impact of Loss of 10 Months of Rate Decrease	<u>\$ 1,375,000</u>
Loss in Revenue Requirement Benefit of Delaying Implementation of Facilities Fees by one year (B)	<u>\$ 3,176,900</u>
Combined Impact	<u>\$ 4,551,900</u>

(A) Assumes decision will become final with new rates taking effect May 1, 2007.

(B) Based on Exhibit 62A (DRA) as a result of pushing revenue requirement impacts back by one year and is the cumulative impact through the end of the second escalation year, or June 30, 2009.